

Message Text

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44

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 SS-15 NSC-05 L-03 H-02

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R 221544Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4063

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E.O. 11652: N/A

TAGS: EAIR, UK

SUBJ: CIVAIR - PANAM AGENT COMMISSION PROBLEM

REF: COLWELL-STYLES TELECON

1. EMBOFF ARRANGED AND ACCOMPANIED PANAM OFFICIALS TO AUGUST 20 MEETING WITH IAN BROWN, DEPT. OF TRADE TO DISCUSS INFORMALLY BROWN'S LETTER OF AUGUST 12 INSTRUCTING PANAM TO REVERT TO 7.5 PERCENT AGENT COMMISSION LEVEL. AT MEETING WE EMPHASIZED DISCRIMINATORY ASPECTS OF DOT INSTRUCTION, QUESTIONED UKG'S ABILITY TO POLICE COMMISSION LEVELS PAID OUTSIDE UK AND ATTEMPTED OBTAIN FURTHER INFORMATION AS TO WHETHER DOT COMMISSION LEVELS WOULD APPLY TO TRANSIT, STOPOVER AND OTHER TYPES OF JOURNEYS THAT MAY TOUCH UK TERRITORY. WE DID NOT GO INTO QUESTION OF WHETHER UK ACTION AGAINST PANAM CONSISTENT WITH AIR SERVICES AGREEMENT SINCE WE ASSUMED THIS QUESTION WOULD BE DISCUSSED WITH GEORGE ROGERS IN WASHINGTON.

2. NOTHING DEFINITIVE CAME OUT OF MEETING BUT IT WAS CLEAR FROM OUR DISCUSSION THAT DOT RECOGNIZES THAT APPROACH IT IS USING IN TRYING TO "RESTORE ORDER" IN COMMISSION AREA WILL "TEMPORARILY" DISADVANTAGE PANAM VIS-A-VIS OTHER AIRLINES SERVING UK. IT ALSO CLEAR

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THAT DOT HAS NO IDEA HOW IT CAN POSSIBLY EXPECT TO

POLICE EFFECTIVELY COMMISSION LEVELS OUTSIDE UK AND HAS
NOT EVEN THOUGHT THROUGH THE QUESTION OF JUST WHICH
TICKET SALES OUTSIDE UK WOULD BE SUBJECT TO DOT'S
7.5 PERCENT COMMISSION DIRECTIVE.

3. ESSENTIALLY, BROWN ARGUED THAT MOST GOVERNMENTS
ACCEPTED THAT "ORDER HAD TO BE RESTORED" AND SINCE IATA
COULD NOT DO SO, RESPONSIBILITY RESTED WITH GOVERNMENTS.
UNFORTUNATELY MOST GOVERNMENTS WERE STEPPING BACK FROM
THIS RESPONSIBILITY AND THEREFORE UKG WAS ACTING FIRST
IN EXPECTATION THAT OTHERS WOULD FOLLOW UK LEAD.

4. PANAM OFFICIALS TOLD BROWN HIS LETTER WAS RECEIVING
URGENT ATTENTION OF PANAM HEADQUARTERS AND AIRLINE
WOULD REPLY AS SOON AS POSSIBLE.

RICHARDSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AIR TRANSPORTATION, AIR FARES, AVIATION REGULATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON13071
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750291-0744
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750827/aaaaaxpr.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUN 2003 by BoyleJA>; APPROVED <05 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - PANAM AGENT COMMISSION PROBLEM
TAGS: EAIR, UK, PANAM
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006